



Michigan solar rebates and incentives

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Go solar with Michigan solar incentives and rebates

Whether you live in Detroit or out in green Ann Arbor, the Great Lake State has a wealth of sunshine and plenty of solar incentives to offer homeowners. Learn more about the many programs, rebates and incentives in Michigan and find out why so many of your neighbors are putting solar panels on their roofs.

Michigan solar tax credits and incentive programs

Experimental Advanced Renewable Program

This **feed-in tariff option** is an awesome incentive to go solar in Michigan. Homeowners with qualifying residential systems under 20 kilowatts (kW) can sign up for this program, which pays \$0.24 for every kilowatt-hour (kWh) of electricity generated by solar panels. However, the program is an alternative to net metering and does not apply to any net metered solar system – compare it with your electricity rates to determine which is the better value for you.

The federal Investment Tax Credit

Following the national extension of the **solar Investment Tax Credit (ITC)** through 2021, it has never been a better time to go solar. This awesome credit cuts the cost of your overall solar installation by 30 percent, making solar PV a more affordable and appealing energy source than fossil fuels. Just remember that in order to qualify for the federal ITC, you need to own your solar system and thus pay with a direct purchase or loan, not with a **third party lease or PPA**.

Awesome solar incentive programs in Michigan

Net metering in Michigan

When you put solar panels on your roof, you want to make sure you get credit for the power your system generates. Luckily, **Michigan has a net metering policy**, which means that you receive bill credits for the extra electricity your system produces. When your system doesn't generate enough power to cover your use, you can draw on those credits instead of buying electricity from your utility. **Xcel Energy** offers the top utility net metering program in Michigan.

Michigan Saves Home Energy Loan Program

This great **MI financing option** offers homeowners the chance to upgrade their home's energy efficiency with loans up to \$30,000 and with APR's offered as low as 4.99% depending on credit score. The loan timeline ranges from 12 months to 10 years with a maximum APR set at 6.99%, making this program a great way to buy your solar system by making easy affordable payments.

EnergySage helps you go solar

We are your solar allies. We provide a transparent and easy shopping process, and promise you'll have all the information you need to go solar with confidence.



Ann Arbor solar system case hits state tax tribunal

By Associated Press

Posted Feb 15, 2018 at 7:00 PM

A Michigan resident is at the center of a solar energy taxation debate that could affect property owners statewide.

ANN ARBOR — A Michigan resident is at the center of a solar energy taxation debate that could affect property owners statewide.

The dispute revolves around how much value Mark Clevey's residential solar energy system adds to his home and if that value should be taxed, the Ann Arbor News reported.

Clevey installed the system on his house in May 2016. Tax records show the property's value increased from almost \$1,900 in 2015 to nearly \$5,700 in 2017.

Clevey unsuccessfully went to the city's board of review in an attempt to adjust the taxable value of his house. He then turned to the Michigan Tax Tribunal and is awaiting a decision.

The city of Ann Arbor believes the system improves Clevey's property and should increase its taxable value because state law doesn't specifically exempt solar energy systems. But Clevey said the system is personal property, which generally isn't subject to property taxes.

Some communities don't tax residential solar energy systems. State agencies have also offered conflicting guidelines toward taxing the systems.

There's an existing personal property tax exemption that allows for property owners to seek an exemption for small scale solar projects, according to the Michigan Agency for Energy and Michigan Public Service Commission. But the Michigan Tax Commission said the exemption doesn't apply in areas where the assessor considers residential solar energy systems to be real property.

Tax Tribunal Judge Robin Schleh will give the final opinion on the issue. Her preliminary opinion in December sided with the city. Parties had additional time to file exceptions before the judge issues a final ruling.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: February 13, 2018
TO: Assessors and Equalization Directors
FROM: State Tax Commission
SUBJECT: Treatment of Residential Solar Panels

The State Tax Commission at their meeting on February 13, 2018, rescinding their prior guidance dated May 13, 2013 as it relates to the treatment of residential solar panels, and have determined that solar panels on a parcel classified as residential real property shall be assessed as a component of the real property. This policy decision is in line with the Michigan Tax Tribunal's rationale in the *Mark Clevey & Nancy Fenton v City of Ann Arbor*, Michigan Tax Tribunal Docket No. 17-003056. Assessors are advised to review and utilize the New Assessors Manual to cost solar panels as a component of the residential real property improvements. This determination of the State Tax Commission is limited to solar panels on residential real property only.

Rex Murphy <rex.murphy@lenawee.mi.us>

2/28/2018 3:43 PM

FW: Michigan Department of Treasury Daily Digest Bulletin

To wspro@comcast.net <wspro@comcast.net>

Hello M. Sprow,

Please see the below provided vague guidance to Residential Solar Panels. I have also pulled the property record card for 2497 Prairie Dr. No permit was pulled for this solar array.

Thank you and let me know should you need anything further.

Rex Murphy
MCAO
Lenawee County Equalization Dept.
(517)264-4503
Rex.Murphy@Lenawee.mi.us

From: Michigan Department of Treasury [MITreasury@govsubscriptions.michigan.gov]

Sent: Thursday, February 15, 2018 12:25 AM

To: Rex Murphy

Subject: Michigan Department of Treasury Daily Digest Bulletin



MICHIGAN DEPARTMENT OF TREASURY

Treatment of Residential Solar Panels

02/14/2018

The State Tax Commission at their meeting on February 13, 2018 rescinded their prior guidance on the treatment of solar panels on residential real properties and determined that solar panels on a parcel classified as residential real property shall be assessed as a component of the real property. Assessors are advised to review and utilize the New Assessors Manual to cost residential solar panels as a component of the residential real property improvements. This determination is limited to solar panels on real property classified under MCL 211.34c as residential real property only. The staff memorandum to the State Tax Commission is attached and will be available on the State Tax Commission's website tomorrow.

- [Treatment+of+Residential+Solar+Panels+Memorandum.pdf](#)

Personal Property Tax Exemption Changes for 2018

02/14/2018

Public Acts 261-264 of 2017 were signed into law on December 28, 2017. These Acts made several changes that affect both the Small Business Taxpayer Exemption and the Eligible Manufacturing Personal Property Exemption (EMPP). P.A. 261-264 also changed the statute to allow assessors to accept a postmark by February 20, 2018 for Form 5278 to claim the EMPP exemption. The Small Business Property tax Exemption Claim under MCL 211.9o (Form 5076), the Combined Document (Form 5278) and the Personal Property Statement (Form 632), have been updated to reflect these statutory changes and are available at these links:

https://www.michigan.gov/documents/treasury/5076f_493854_7.pdf

http://www.michigan.gov/documents/taxes/5278_500796_7.pdf

http://www.michigan.gov/documents/taxes/632_10-17_Final_603673_7.pdf

Finally, P.A. 261-264 changed the appeal procedure for both the Small Business Taxpayer Exemption and the EMPP Exemption. Taxpayers who miss the filing deadline for either exemption may file a late application directly with the March Board of Review. The March Board of Review should grant the exemption as long as the taxpayer otherwise qualifies for the exemption.

The State Tax Commission at their meeting on February 13, 2018 approved the revised Assessors Guide to the Small Business Taxpayer Exemption, the Assessors Guide to EMPP and ESA and the Boards of Review Guide to reflect these updates due to the statutory changes. The revised guidance are attached and will be available on the State Tax Commission's website tomorrow.

- [Guide+to+EMPP+and+ESA.pdf](#)
- [2018+Board+of+Review+Q+%26+A++2+13+18.pdf](#)
- [Guide+to+Small+Business+Taxpayer+Exemption.pdf](#)

We continue to receive questions regarding the statutory changes and how they affect 2018 filings. Specifically;

1. **If a local unit has already mailed out Form 632 to their taxpayers do they have to resend those forms?** No, if a local unit has already mailed out Form 632 they do not have to resend the new version of the Form. The only changes to the Form were in the instructions and introduction. The same is true for any Form 5076 and Form 5278 that a local unit has already provided to taxpayers.
2. **If a taxpayer files using the version of Form 5076, Form 5278 or Form 632 that was published prior to the statutory changes, can we accept that filing?** Yes you can accept a filing of a prior version of the 2018 Forms. The only changes to the forms were due dates and instructions regarding filing and appeals. It is critically important that any taxpayer that late files – meaning a filing of Form 5076 or Form 5278 that was not postmarked February 20th or earlier – be fully informed that they have the right to late file directly with the March Board of Review. Assessors are encouraged to call any taxpayer that late files to inform them of this change.

3. Can I accept a postmark of February 20th on Form 632 (Personal Property Statement)? No, the statute did not change to allow the acceptance of a postmark for Form 632 the Personal Property Statement.

NEW Understanding the Basics of Assessing for Local Unit Officials Course Offering

02/14/2018

The Michigan Department of Treasury is pleased to announce an additional location for the one day course titled Understanding the Basics of Assessing for Local Unit Officials. This one day course will be offered free of charge to any Local Unit Official who wants to learn a little bit more about assessing and the Audit of Minimum Assessing Requirements (AMAR) process.

Monroe County (Cabela's Dundee MI) July 11, 2018 9:00 AM to 5:30 PM:
<https://www.eventbrite.com/e/understanding-the-basics-of-assessing-for-local-unit-officials-monroe-county-session-tickets-42682114353>

Sign up for the program is through Eventbrite using one of the links below. Space is limited so we suggest you sign up early!

This service is provided to you at no charge by the



Michigan Department of Treasury
Lansing, Michigan 48922 | 517-373-3200 | [Contact Us Online here](#)

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This email was sent to Rex.Murphy@denawee.mi.us using GovDelivery Communications Cloud on behalf of: Michigan Department of Treasury
Lansing, MI 48922 · 517-373-3200



February 2018

Personal Property Tax Exemption for Solar Panels

Michigan classifies solar panels as industrial personal property, *even if the panels are on a home or owned by an individual rather than a business*, and some communities assess a tax on them. However, taxpayers may be eligible to claim an exemption for their solar panels under the State of Michigan's Personal Property Tax law. If all of the taxpayer's commercial or industrial personal property located within the local tax collecting unit (city or township) is worth a total of \$80,000 or less, the personal property is 100 percent exempt.

Who is eligible?

To be eligible for the exemption, the taxpayer must meet all the following criteria:

1. Be the owner of the personal property;
2. Have properly claimed the exemption (see below); and
3. Attest that the combined true cash value of all industrial and commercial personal property in that local tax collecting unit (city or township) owned by, leased to, or in the possession of that taxpayer or a related entity on December 31 of the immediately preceding year is less than \$80,000.

How do I claim the exemption?

By February 20 of each year, the owner of the solar panels must file Form 5076: Small Business Property Tax Exemption Claim under MCL 211.9o¹ with the local tax collecting unit. The form must be delivered to the local unit where the personal property is located no later than February 20. If the form is mailed to the local unit, a postmark by February 20 is acceptable. If February 20 is a Saturday, Sunday, or legal holiday, the form must be delivered or postmarked by the next business day.

A taxpayer who fails to submit Form 5076 by the February 20 deadline may submit a late filing to the local Board of Review prior to the final adjournment of its March meeting. Property owners are encouraged to contact their local taxing unit to ensure they meet the Board of Review deadlines, as failure to file before the Board's final adjournment will result in loss of the exemption for that year.

¹https://www.michigan.gov/documents/treasury/5076f_493854_7.pdf

Do I have to file for the exemption every year?

Yes. A property owner must file Form 5076 for each year in which they wish to claim the exemption.

Can I claim the exemption retroactively?

No. Regardless of whether the taxpayer has claimed the exemption in previous years, they may claim it for the current tax year, provided the requirements of the exemption are met. However, there is no option for a retroactive exemption or refund of previously paid taxes for years in which the tax payer did not claim the exemption. Taxpayers who have not filed the affidavit in prior years are not eligible for the exemption in those years.

Do I need to maintain any records?

A taxpayer must maintain books and records showing the true cash value and ownership of the personal property for four years after filing Form 5076 claiming the exemption.

Who can I contact if I have questions?

Tax related questions should be submitted to your local assessor.

For all other questions, please contact the Michigan Agency for Energy customer service line at 800-292-9555.

Small Business Property Tax Exemption Claim Under MCL 211.9o

In order to claim this exemption, this form must be filed with the local unit where the personal property is located no later than February 20, 2018 (postmark is acceptable). This form **IS NOT** to be mailed to the Michigan Department of Treasury or the Michigan State Tax Commission. Late filed forms may be filed directly with the local unit March Board of Review.

This form will exempt property owned only by the entity filing the form. If personal property is leased to or used by an entity other than the property's owner, the owner of that personal property must file the form for that property, not the lessee or the user. The owner may file the form and claim the exemption only if the True Cash Value of all of the commercial or industrial personal property located within the local tax collecting unit that is owned by, leased to, or in the possession of the owner or a related entity was less than \$80,000 on December 31, 2017.

Notice: Questions regarding this form should be directed to the assessor of the city or township where the personal property is located. This form is issued under the authority of Public Act 206 of 1893. This form must be filed annually by the owner or the owner's authorized agent. A separate form must be filed for each personal property parcel and each business entity.

General Information

Name and Mailing Address of Owner(s) or Partners (if sole proprietorship or partnership) William D. Sprow 3124 Planeview Dr. Adrian, Mi. 49221		
Name of Local Unit of Government City: <u>Adrian</u> Township: <u>Madison</u> Village: _____		County Where the Property is Located <u>Lenawee</u>
Parcel Number <u>MDO-117-2890-00</u>	Assumed Name(s) Used by Legal Entity (if any) <u>William D. Sprow</u>	Owner Telephone Number <u>517-260-7886</u>
Date Business Began in Local Tax Collecting Unit <u>10/5/2017</u>	Description of Owner's Business Activity <u>Solar Array</u>	
Name, Telephone Number and Email Address of the Person in Charge of Personal Property Records William D. Sprow wspro@comcast.net		Address Where Personal Property Records are Kept 3124 Planeview Dr. Adrian, Mi. 49221
Names of all other businesses having personal property, including any leasehold improvements assessed as personal property at the location(s) included in this form. (Attach additional sheets as necessary.) <u>None</u>		
List all addresses where any personal property owned by leased to or in the possession of the owner listed above or a related entity is located within the local tax collecting unit. (Attach additional sheets as necessary.) <u>None</u>		

The undersigned certifies that:

- I am the owner of the commercial personal property and industrial personal property being claimed as exempt or I am the duly authorized agent.
- The True Cash Value of all the Personal Property, as defined by MCL 211.9o located within the local tax collecting unit indicated above, that is owned by, leased to, or in the possession of the owner or related entity was less than \$80,000 on December 31, 2017.
- The following procedures were used to determine that the True Cash Value of the Eligible Personal Property was less than \$80,000 on December 31, 2017:
 - The determination of True Cash Value was based on the State Tax Commission's recommended valuation procedures as set forth on *Personal Property Statement L-4175* (Form 632).
 - The determination of True Cash Value includes all assessable personal property, located within the city or township listed on this form that is owned by, leased to, or in the possession of the owner or related entity. This shall include all trade fixtures and may include leasehold improvements not assessed as real property. Attach an explanation if not all personal property is included.
- I understand that according to MCL 211.9o, I am required to maintain and provide access to books and records for audit purposes as provided in section 22.
- All of the information contained with Form 5076 is true and accurate and to the best of my knowledge and belief, and acknowledge a fraudulent claim for exemption under MCL 211.9o is subject to the penalties as provided for in section 21(2).

Printed Name <u>William D. Sprow</u>	Title _____	Date <u>March 8, 2018</u>
Signature 		